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NEW ENGLAND ELECTRICITY AUCTION DRIVES NEW INVESTMENTS AT COMPETITIVE PRICES

Boston, MA: Today, electricity capacity auction results were announced showing excess generation capability at highly competitive prices to meet consumer demand to replace retiring power plants. The auction was held on Monday, February 8, to commit electricity supply resources to operate and perform, without excuse for nonperformance, between June 1, 2019 and May 31, 2020. This is the 10th year such a Forward Capacity Auction (FCA 10) was held by ISO New England, the independent system operator and marketplace for electricity in the region.

Power plants in New England will be paid \$7.03/kW-Month as a result of the auction, more than 26% lower prices than last year's auction results. 35,126 megawatts (MW) were selected in the auction, including 1,459 MW of new plants. 6,720 MW of new plants competed with 33,411 MW of existing plants in New England and 1,363 MW of imports from Canada and New York to supply consumers three years from now.

Commenting on the results, NEPGA President Dan Dolan said, "Intense competition among electricity resources are driving stable reliability for consumers. Competition is also providing billions of dollars of investments in communities in New England to build new facilities and upgrade existing plants. These investments are being made at historically low prices without long-term contracts borne by consumers."

In addition to the FCA 10 clearing price being more than 26% lower than the prior auction, the new investments announced today are being made at prices more than 53% lower than FCA 7, which was the first auction to attract a major new plant in New England.

Dolan went on to say, "With the conclusion of this auction, more than 4,200 MW of plant retirements have been incorporated into the New England market and replaced over the past few years. It is notable that this auction concluded with more than 5,261 MW of new facilities that were not selected. Many of these resources will continue to be available for future auctions and are indicative of the strong market response to replace retiring plants. There is no supply shortage today with competitive generators making the investments to support grid reliability for tomorrow and years to come."

NEPGA's mission is to support competitive wholesale electricity markets in New England. We believe that open markets guided by stable public policies are the best means to provide reliable and competitively-priced electricity for consumers. A sensible, market-based approach furthers economic development, jobs and balanced environmental policy for the region.

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